

NATURAL GAS

Meeting the Challenges of the Nation's Growing Natural Gas Demand

A Report of the
National Petroleum Council

This is a working document
as approved by the
National Petroleum Council.
on December 15, 1999.

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This document is subject to final editing.

DRAFT REPORT

December 15, 1999

**This volume is dedicated to the memory of
Collis P. Chandler, Jr.**
who passed away during the course of this study.

**Collis was an independent oil and gas producer
who chaired companies
that bore his name for nearly half a century.**

**A former National Petroleum Council Chair,
Collis served on numerous NPC committees and subcommittees,
including the ones that prepared this volume.**

**Collis willingly contributed his experience,
practical insight, and friendship.**

He will be missed.

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December 15, 1999

Dear Mr. Secretary,

On behalf of the members of the National Petroleum Council, I am pleased to submit to you the results of the 1999 study on natural gas, entitled *Meeting the Challenges of the Nation's Growing Natural Gas Demand*. The objective for the study was to provide the requested advice on the potential contribution of natural gas in meeting the nation's future economic, energy, and environmental goals.

The Council is pleased to report that natural gas can make an important contribution to the nation's energy portfolio well into the twenty-first century. Demand for natural gas will continue to increase as economic growth, environmental concerns, and the restructuring of the electricity markets encourage the use of natural gas. More than 14 million new customers will be connected to natural gas supply by 2015 and many more will find their growing electricity needs met by gas-fired generators.

The estimated natural gas resource base is adequate to meet this increasing demand for many decades, and technological advances continue to make more of those resources technically and economically available. However, realizing the full potential for natural gas use in the United States will require focus and action on certain critical factors. These factors include:

- Access to resources and rights of way
- Continued technological advancements
- Financial requirements for developing new supply and infrastructure
- Availability of skilled workers
- Expansion of the U.S. drilling fleet
- Lead times for development
- Changing customer needs.

Each of these factors can be positively influenced, but government, industry, and other stakeholders must act quickly, cooperatively, and purposefully to ensure the availability of competitively priced natural gas.

The National Petroleum Council stands ready to work with government to further discuss the results of this report and to implement the recommendations in order to meet the nation's growing gas demand.

Respectfully submitted,

Joe B. Foster
NPC Chair